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HEADLINE: A happy medium is best in life matters

BYLINE: Carol Lewis

While the debate over life management rages, Carol Lewis discovers that leveling the work-life equilibrium neither improves nor decreases an organisation's productivity.

The French appear to have it sorted: 35-hour weeks, long lunch hours and family-focused lifestyles. Meanwhile we Brits "enjoy" the longest working hours in Europe, gobble sandwiches at our desks and squeeze quality family time into our two-week summer vacation -usually in France.

The two stereotypes embody two very different viewpoints. The French President, Jacques Chirac, has said that Anglo-Saxon neo-liberalism -encapsulated by tougher market competition and globalisation -has undesirable consequences. The increased productivity comes at a cost: misery for workers in the form of long hours, job insecurity and intense and unsatisfactory work. Tony Blair, however, says the opposite: that a better work-life balance actually improves morale, recruitment and retention of talented workers and increases productivity.

So who is right? Researchers at the **Centre for Economic Performance** (CEP) collected data from 750 firms in the UK, US, France and Germany and found that tougher competition fosters better management, better managers are more likely to offer work-life balance and offering work-life balance doesn't affect productivity either way in well-managed firms. Other findings include better work-life practices for the staff of larger firms, where there is a highly educated workforce and a higher proportion of female managers. So neither Chirac nor Blair is right: the answer lies somewhere in between.

The director of the CEP, **Professor John Van Reenen**, says: "Better work-life balance neither increases nor decreases productivity. Increased competition is likely to be good for production and overall management standards and not necessarily bad for work-life balance.

"Work-life balance might be desirable in itself, but it is not a boost to productivity." There is also the effect on profitability to consider. The research did not measure this: even if productivity doesn't fall, work-life balance can be costly to implement and maintain, which may result in lower profitability, Professor Van Reenen says.

This could be seen as bad news for work-life campaigners who previously insisted that the bottom line would be boosted by the introduction of work-life-balance practices.

Sarah Jackson, the chief executive of Working Families, says that work-life-balance policies will now have to be sold as an "investment in better management per se", adding: "Work-life-balance policies are part of an arsenal for success." The key, she says, is to concentrate on the life aspect of the equation.

"It is about functioning families and a caring society."

Julie Mellor, former leader of the Equal Opportunities Commission and now head of change management at PricewaterhouseCoopers, agrees: "It is about how we share responsibility for caring for children and the elderly."

Vive les Francais: The battle for shorter hours continues.

BALANCING ACT

Useful resources:

- * Work-Life Balance, Management Practices and Productivity, by Nick Bloom, Toby Kretschmer and John van Reenen published by the CEP. cep.lse.ac.uk
- * Working Families. www.workingfamilies.org.uk
- * Equal Opportunities Commission. www.eoc.org.uk
- * The Work Foundation's work-life balance website. www.employersforwork-lifebalance.org.uk
- * Find the Balance: Essential Steps to Fulfilment in Your Work and Life, by Deborah Tom (BBC, £7.99) * Life Matters: Creating a Dynamic Balance of Work, Family, Time and Money, by Roger Merrill and Rebecca Merrill (McGraw Hill, £8.99)